

June 28, 2002

William F. Caton, Acting Secretary  
Office of the Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Re: IB Docket No. 02-30

Dear Mr. Caton:

Enclosed is an electronic file of the comments of the Regulatory Commission of Alaska in response to the Notice of Proposed Rulemaking issued in IB Docket No. 02-30 (FCC 02-37, released February 15, 2002). The comments were approved at a public meeting held on June 26, 2002.

Sincerely,

REGULATORY COMMISSION OF ALASKA

/s/  
Commissioner Patricia M. DeMarco  
701 West Eighth Avenue, Suite 300  
Anchorage, Alaska 99501  
(907) 276-6222 / fax (907) 276-0160

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	IB Docket No. 02-30
Policy for Licensing Domestic Satellite Earth	)	RM No. 7246
Stations in the Bush Communities of Alaska	)	
	)	

**Comments of the  
Regulatory Commission of Alaska**

Date: June 27, 2002

/s/\_\_\_\_\_  
Patricia M. DeMarco, Commissioner  
Regulatory Commission of Alaska

701 West Eighth Avenue, Suite 300  
Anchorage, Alaska 99501  
(907) 276-6222/ fax (907) 276-0160

## **SUMMARY**

The Regulatory Commission of Alaska (RCA) supports the proposal to discontinue the federal Alaska Bush Earth Station Policy that to date has prohibited the installation or operation of more than one satellite earth station in certain Alaskan Bush communities. The RCA eliminated its preexisting regulatory prohibition against the construction of duplicate interexchange facilities in Alaska in 2000 after determining that allowing facilities-based interexchange competition throughout Alaska's bush communities would benefit consumers by lowering retail rates and improving service quality. The RCA continues to believe that allowing facilities-based interexchange competition throughout Alaska's bush communities serves the public benefit, and urges the FCC to eliminate its Alaska Bush Earth Station Policy so that all Alaskan consumers can receive the benefits of facilities-based interexchange competition.

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**COMMENTS OF THE  
REGULATORY COMMISSION OF ALASKA**

The Regulatory Commission of Alaska (RCA) appreciates the opportunity to respond to the Notice of Proposed Rulemaking (NPR) released by the Federal Communications Commission (FCC) on February 15, 2002 in IB Docket No. 02-30. Historically the FCC and the RCA have maintained restrictions on facilities-based Message Telephone Service (MTS) competition in Bush Alaska. The FCC's restriction is the Alaska Bush Earth Station Policy ("Bush Policy"), a policy that prohibits the installation or operation of more than one satellite earth station in any Alaska Bush community for the competitive carriage of interstate MTS. The NPR requests comments on the FCC's proposal to discontinue the Bush Policy.

We support the FCC proposed discontinuation of the Bush Policy. The RCA's intrastate interexchange facilities restriction was set forth at 3 AAC 52.355, a regulation that restricted the construction of duplicate interexchange facilities to larger Alaskan communities. That regulation precluded interexchange carriers other than the dominant

carrier (AT&T Alascom) from maintaining duplicate earth stations in Alaskan Bush communities.<sup>1</sup>

In 1995, both the RCA and the FCC waived applicable bush facility restrictions in order to allow another facilities-based interexchange carrier in Alaska - General Communications, Inc. (GCI) - to construct 50 earth stations in specified Alaska bush communities where AT&T Alascom already maintained earth stations. GCI requested regulatory waivers to allow duplicate earth stations to be installed in approximately 50 bush communities as a demonstration project. The RCA conditionally granted GCI's request for a waiver of 3 AAC 52.355(a),<sup>2</sup> while the FCC granted GCI a partial waiver of the Bush Policy so that GCI could complete the earth station demonstration.<sup>3</sup> The RCA's decision to waive 3 AAC 52.355(a) was based in part on its belief that the earth station

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<sup>1</sup>As noted in the NPR, the FCC defines Alaska Bush communities as rural Alaska communities of less than 1000 residents that are isolated from larger cities by rugged terrain and harsh weather conditions. Those communities typically rely on satellite for the transport of interexchange traffic, with an earth station located in each Bush community to send and receive satellite transmissions. In essence, the facilities restriction stated at 3 AAC 52.355 has operated as a barrier to the installation of earth stations by interexchange carriers other than AT&T Alascom.

<sup>2</sup>See Order U-95-38(8), dated November 9, 1995, and Order U-95-38(9), dated December 8, 1995. Docket U-95-38 is entitled *In the Matter of the Request by General Communication, Inc. for Waiver of 3 AAC 52.355(a) and Approval of a 50-site Demonstration Project*.

<sup>3</sup>See *Petition of General Communications, Inc. for a Partial Waiver of the Bush Earth Station Policy*, Memorandum Opinion and Order, 11 FCC Rcd 2535 (Int'l Bur. 1996).

technology proposed by GCI would improve the quality of interexchange service and result in more efficient use of available satellite resources.<sup>4</sup>

In areas where GCI constructed duplicate earth stations, consumers experienced lower retail rates and improved service quality.<sup>5</sup> AT&T also upgraded its satellite facilities to DAMA in almost all the rural locations served by the GCI DAMA demonstration project.<sup>6</sup> Allowing facilities competition also provided interexchange service resellers with more options when purchasing services.<sup>7</sup>

Consequently, in November of 2000, the RCA eliminated the restrictions on facilities-based MTS competition in Bush Alaska by repealing 3 AAC 52.355.<sup>8</sup> As a result, the FCC's Bush Policy remains as the only regulatory impediment to facilities-based MTS competition throughout Alaska.

The RCA fully supports the elimination of the FCC's Bush Policy, an action that will remove the final regulatory barrier to facilities-based interexchange competition throughout Alaska. The RCA concurs with the FCC's expectation that facilities-based MTS competition in Bush Alaska will produce public interest benefits, including establishing an incentive for AT&T Alascom to operate more efficiently. The RCA

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<sup>4</sup>GCI proposed to install Demand Assigned Multiple Access (DAMA) equipment. DAMA technology assigns satellite channels based on demand and thereby allows multiple trunks to share a limited number of satellite channels. The AT&T Alascom technology in use at that time required a separate satellite channel for each trunk. Other touted benefits of DAMA technology were the elimination of the double satellite hop for calls between DAMA sites, the ability to maintain higher transmission speeds, and more efficient use of available satellite resources.

<sup>5</sup>See Docket R-98-1, Staff's August 4, 2000 Recommendation, at pp.3-4.

<sup>6</sup>*Id.*

<sup>7</sup>*Id.*

<sup>8</sup>See Order R-98-1(6), dated November 20, 2000.

believes that facilities-based interexchange competition throughout Alaska's bush communities will result in lower retail rates and improved service quality, and urges the FCC to eliminate the Bush Policy so that all Alaskan consumers can receive the benefits of facilities-based interexchange competition.

Respectfully submitted this 27<sup>th</sup> day of June, 2002.

By Direction of the Commission

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By: Patricia M. DeMarco, Commissioner  
Regulatory Commission of Alaska

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